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102

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LATE FOREIGN DEVELOPMENTS

INDIA: Final wheat forecast for 1941-42, with 1940-41 comparisons in parentheses: Area 33,979,000 acres (34,849,000), production 375,947,000 bushels (383,413,000).

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CANADA: Total Canadian grain stocks on July 31, 1942, in Canada and United States: Wheat 424,048,429 (year ago 480,129,311), barley 10,846,754, oats 28,592,913, rye 3,386,361, and flaxseed 1,027,040 bushels.

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ARGENTINA: The third official estimate places the 1941-42 cotton crop at 353,000 bales (of 478 pounds) compared with a second estimate of 333,000, and a final estimate for 1940-41 of 232,000 bales.

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IRAQ: A preliminary estimate by the Ministry of Agriculture places the 1942 cotton crop at about 9,200 bales (of 478 pounds) compared with 17,000 bales in 1941. With the exception of about 400 bales exported to India, the whole 1941 production is still in the country. A Government decree of March 12, 1942, limits the 1942 cotton area to 25 percent of that planted in 1941 (225,000 acres) in order to increase production of food crops and to avoid increasing the cotton surplus.

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NORTHERN IRELAND: Area devoted to fiber flax this year is not expected to exceed 85,000 acres, a reduction of 5,000 acres from the area sown in 1941. This reduction is 25,000 acres below the Government's goal for this year of 120,000 acres.

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SPAIN: June declared exports of pickled olives in the Seville Consular District for shipment to the United States, with 1941 data in parentheses, were 170,038 gallons in brine (150,452) and 92,624 gallons pitted or stuffed (313,600). These were made up of 221,910 gallons of Queens (242,012) and 40,752 gallons of Manzanillas (215,040).

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G R A I N S

NORTH AMERICAN GRAIN CROP PROSPECTS
UNUSUALLY FAVORABLE . . .

Record or near-record grain crops are in prospect in North America, according to the crop reports released August 10 by the Canadian and United States Governments. Growing conditions during July continued favorable in most areas of the two countries and grain-yield prospects were further improved over a month ago. The outstanding factor this year is the uniformly favorable prospects for most areas and grains.

The wheat crop in the United States is now estimated at 955 million bushels, which slightly exceeds last year's big harvest and represents the largest prospective crop since the record outturn in 1915. The July 31 condition of wheat in Canada indicates that record yields are in prospect in that country, and points to the possibility of a crop outturn above 500 million bushels. For the two countries together a wheat crop of approximately 1.5 billion bushels now seems likely if weather conditions remain favorable for the harvest of spring wheat. Such a wheat harvest would be a record one for North America; the record outturn to date was in 1928, when the United States and Canada together harvested 1,481,000,000 bushels of wheat.

Other grains are likewise favorable in both countries. The corn crop in the United States improved during July and on August 1 the best harvest since 1932 was in prospect. The record corn crop was in 1920, when 3,071,000,000 bushels were harvested. The August forecast for oats indicates the largest crop since 1925, and for rye it is the largest outturn since 1922. The barley crop is of record size. Altogether present indications are that grain production this season in the United States will be greater than in any other year except 1920. In view of the fact that present Canadian grain crop prospects are much better than they were in 1920, the North American grain outturn in 1942 should be of record or near-record proportions.

The Canadian crop report of conditions on July 31 shows a further marked improvement over a month earlier for all grains. Wheat in particular shows an unusual gain, and with yield prospects 49 percent above average on that date, new record yields per acre may be expected in 1942 if weather conditions continue favorable during the next few weeks. Harvesting of wheat in the Prairie Provinces is not expected to get actively under way this year until the latter part of August, so that it is still possible for frost or other damage to occur and reduce final yields. A feature of the present season, especially for wheat, is the uniformly good prospects throughout western Canada. No official estimate for spring-grain crop production will be released until September 10. Current private and trade estimates, however, are being continually revised upward as the crop progresses and at present mostly range from 500 to 550

million bushels for wheat. The record wheat crop to date was in 1928, when 567 million bushels were harvested. The 1942 acreage of wheat reported for harvest, however, is the smallest since 1925, so that the very large crop prospects are entirely due to above-average yields. For coarse grains, on the other hand, the larger seeded acreage this year is an important factor favoring an increased harvest of these grains. The indicated yields per acre, while much above those of a year ago, are mostly about 10 percent above average.

CANADA: Condition of grain crops, expressed in percentages of the long-time average yield per acre, July 31, 1942, with comparisons

Crop	1941			1942		
	May 31	June 30	July 31	May 31	June 30	July 31
	Percent	Percent	Percent	Percent	Percent	Percent
Spring wheat	98	80	72	109	136	149
Spring rye	95	86	63	93	98	109
Oats	94	87	72	94	100	111
Barley	93	89	73	92	100	112
Mixed grain	94	84	84	96	97	98
Corn for husking.	-	89	96	-	88	91

Dominion Bureau of Statistics, Ottawa.

The first estimates of the winter wheat and rye harvests in Canada, which have just been released, show a sharp increase over a year ago.

CANADA: Acreage, yield, and production of winter crops, 1942, with comparisons

Crop	Acreage		Yield per acre		Production	
	1941	1942	1941	1942	1941	1942
	acres	acres	Bushels	Bushels	bushels	bushels
Winter wheat	566	757	29.1	31.7	16,465	23,997
Winter rye	712	1,014	14.4	19.1	10,224	19,381

Dominion Bureau of Statistics, Ottawa.

In the case of wheat, the outturn represents only a small part of the total Canadian crop, while for rye it is the bulk of the total harvest. The increase in the crop, it will be noted, is due both to a larger area and to better yields as compared with last year. The rye crop promises to be one of the largest on record.

In the following table of August 1 grain crop indications in the United States, it will be noted that above-average yields are in prospect for all grains. In the case of wheat, the yield is 2 bushels per acre above last year's record yield, due especially to very favorable moisture conditions in the Great Plains area. For barley, the sharp increase in area is an important factor in the record crop prospects.

UNITED STATES: Acreage, yield, and production of grains,
average 1930-1939, annual 1941 and 1942

Item and year	Wheat			Corn	Oats	Barley	Rye
	Winter	Spring	Total				
<u>HARVESTED</u>	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>ACREAGE</u>	acres	acres	acres	acres	acres	acres	acres
Average							
1930-1939	39,141	16,742	55,884	98,049	36,487	10,707	3,320
1941	39,547	16,284	55,831	86,089	37,972	14,049	3,498
1942 a/ ...	36,398	14,172	50,570	89,408	38,090	16,756	3,868
<u>ACRE YIELD</u>	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Average							
1930-1939	14.4	10.5	13.3	23.5	27.3	20.6	11.2
1941	17.0	16.9	16.9	31.0	31.0	25.5	12.9
1942 a/ ...	19.2	18.2	18.9	30.8	35.0	24.9	15.4
<u>PRODUCTION</u>	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Average	bushels	bushels	bushels	bushels	bushels	bushels	bushels
1930-1939	569,417	178,090	747,507	2,307,452	1,007,141	224,970	38,472
1941	671,293	274,644	945,937	2,672,541	1,176,107	358,709	45,191
1942 a/ ...	697,708	257,464	955,172	2,753,696	1,331,511	416,932	59,665

Compiled from August 1 Crop Report. a/ August 1 indication.

CANADIAN GRAIN CROP PROSPECTS
CONTINUE FAVORABLE . . .

Crop conditions in Western Canada continued very bright during the first 10 days of August, according to information received from the Dominion Bureau of Statistics. The general lateness of harvest is now reported to be the only factor tempering the outlook. Warmer weather was experienced during the week ended August 10, and crops showed signs of more rapid filling and ripening. Harvesting of early barley, oats, and an occasional field of wheat was reported, but cutting of wheat in Manitoba was not expected to be general until the middle of the month. In Saskatchewan and Alberta, much grain is still reported very green and is not expected to be ready for cutting before the end of August or the first week in September. Rust infestation in flax is not expected to be serious, although a reduction in yield in some fields is indicated. Grasshopper damage is not serious, but there is an increasing evidence of sawfly damage as the harvest approaches. In British Columbia, grain harvesting is now under way, and the fine warm weather is said to have facilitated the completion of haying.

In the eastern Provinces, the grain harvest is reported under way and above-average crops are in prospect in most areas. Dry weather in Quebec Province during the past fortnight made for some premature

ripening, but good yields of oats and barley are expected. In Ontario, harvesting of spring grains is reported general and normal yields are indicated. Record yields are reported for the winter wheat crop, which has just been harvested.

CUBAN RICE IMPORTS AT LOW LEVEL . . .

Rice imports into Cuba for June totaled 23 million pounds as compared with 38,500,000 pounds during May. Imports for June from the United States were the lowest in many months and are expected to remain at a low level, as outstanding purchases are reported as insignificant. During the first 6 months of 1942 imports from the United States totaled over 227 million pounds as compared with 215 million for the same period in 1941. It is of interest to note, however, that Cuban imports from Latin American countries during the 6 months amounted to 19 percent of the total as compared with 1 percent during the corresponding period last year.

Stocks of rice in Cuba are reported relatively large, amounting to possibly 200 million pounds on July 1. The Cuban Office of Price Regulation and Supply reported that incomplete data revealed 187 million pounds on hand, of which approximately 59 million were on the docks at the various ports. Comparative figures showing total stocks are not available for any previous date.

Rice production in Cuba this year is expected to be substantially larger than in recent years. Some authorities state that the crop may equal 50 million pounds of cleaned rice (about 1,700,000 bushels of rough rice). The Cuban Ministry of Agriculture reports that the crop may equal about 2,600,000 bushels.

CUBA: Imports of rice, June 1942, with comparisons

Origin	June		January-June	
	1941	1942	1941	1942
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Orient	549	488	15,217	985
Dominican Republic	175	140	915	8,344
Ecuador	0	4,482	1,000	16,552
Mexico	0	3,300	0	19,931
Peru	0	0	0	5,854
Chile	0	4,118	0	5,297
United States	30,769	10,550	215,357	227,568
Total	31,493	23,078	232,489	284,531

American Embassy, Cuba.

BRAZILIAN RICE SURPLUS REDUCED . . .

Latest information from Porto Alegre, Brazil, places the volume of rice available for export from the 1942 harvest at about 155 million pounds as compared with earlier forecasts of 200 to 300 million pounds. The principal reason for the reduction is the fact that the crop did not turn out as large as was expected. Production for the State of Rio Grande do Sul, the rice surplus State of Brazil, is now placed in terms of bushels at 13.5 million as compared with the earlier estimate of 15 million bushels.

Export sales from the new crop totaled 130 million pounds at the end of June. The United Kingdom was reported as the largest buyer followed by Switzerland, the United States, Canada, Sweden, and Ireland. Shipments up to the end of June totaled about 35 million pounds.

Brazilian rice prices this year were substantially above those of a year ago. At the end of June, Blue Rose, Extra Grade, was quoted at \$4.22 per 100 pounds as compared with \$3.65 a year ago.

It is feared that there will be some reduction in rice acreage sown in September and October for the 1943 harvest in the State of Rio Grande do Sul. It is estimated that about 85 percent of the machinery used in rice farming is mechanical, while only about 15 percent depends upon animal power.

Although practically all of the 1942 crop was harvested before the development of the present fuel shortage, the imposition of rationing regulations for motor fuels causes considerable difficulty to rice farmers. It is anticipated that the fuel situation may not improve, and farmers are already changing over, as far as possible, to animal power and in some cases are experimenting with charcoal gas as a fuel.

DOMINICAN REPUBLIC RICE
SURPLUS INCREASED . . .

Recent reports indicate that there has been a marked expansion in the Dominican Republic rice acreage this year. Earlier estimates placed exports for the 1942 calendar year at 20 million pounds as compared with the record exports last year of 8,659,000 pounds. It is now believed that rice exports this year will total approximately 35 million pounds. Shipments during the first 4 months, January-April, amounted to 14 million pounds.

C O T T O N - O T H E R F I B E R S

EGYPT'S COTTON EXPORTS HIGHER . . .

Exports of cotton from Egypt during the year ended July 31, 1942, were equivalent to about 1,107,000 bales of 478 pounds compared with the low total of 707,000 for 1940-41. Exports of 207,000 bales to the United States in 1941-42 were nearly double the figure of 115,000 for the previous year. Exports to the United Kingdom and India accounted for the bulk of the 1941-42 total. Purchases of 1941 cotton by the Anglo-Egyptian Cotton Buying Commission prior to May 22, 1942, amounted to 1,259,000 bales.

The current cotton crop in Egypt is reported to be in good condition. Water for irrigation is adequate and only slight infestation by insect pests (cotton leaf worms, thrips, and green worms) was reported early in June. Government restrictions on cotton acreage and encouragement of food-crop production resulted in a reduction in the 1942 cotton area to 729,000 acres compared with 1,706,000 in 1941. On the basis of the current condition of the growing crop, production of medium long staple varieties, such as Ashmouni and Zagora, is now expected to be around 200,000 bales, while that of extra long staple varieties may be slightly increased over last year to 600,000 - 700,000 bales, with a higher percentage of Malaki and Karnak. (See Foreign Crops and Markets, July 20, 1942.)

EGYPT: Cotton area, production, and yield per acre, by staple length and variety, 1941-42, with comparisons
(In bales of 478 pounds)

Staple length and variety	1940-41			1941-42		
	Area	Pro- duction	Yield per acre	Area	Pro- duction	Yield per acre
	Acres	Bales	Pounds	Acres	Bales	Pounds
1-3/8 inch or more						
Maarad, Sakha 4,						
Sakellaridis,						
Giza 7, and Malaki	780,795	679,727	416	a/744,132	a/619,210	a/ 398
Of which, Giza 7	-	476,356	-	-	402,346	-
1-1/4 - 1-3/8 inch						
Wafeer, other						
varieties	42,773	48,139	538	29,426	31,834	517
1-1/8 - 1-1/4 inch						
Zagora, Ashmouni .	925,326	1,137,492	588	932,529	1,049,015	538
Total, excluding						
scarto	1,748,894	1,865,358	510	1,706,087	1,700,059	476
Scarto						
(unclassified) .	-	34,713	-	-	35,165	-
Total, including						
scarto	1,748,894	1,900,071	519	1,706,087	1,735,224	486

Compiled from official sources. a/ Includes Karnak.

Stocks on hand at the end of May were estimated at 2,075,000 bales compared with 1,598,000 a year ago. Domestic consumption during the 9 months, September-May 1941-42, amounted to 128,000 bales as against 117,000 for a corresponding period in 1940-41.

The Anglo-Egyptian Cotton Buying Commission's price schedule (see Foreign Crops and Markets, April 14 and November 3, 1941) still prevails, with the Egyptian Government paying producers 2 tallaris per kantar (1.67 cents per pound) extra for its half of the purchases and also paying the same premium on cotton purchased by the British. The Commission has recently accepted an offer by the British Government of 21.5 tallaris (17.91 cents) for 103,600 bales (of 478 pounds) of "Good" Giza 7 delivered at Alexandria. This price is 5.5 tallaris (4.58 cents) higher than the fixed price and offsets in part the extra price paid to growers by the Egyptian Government. Available supplies of good quality extra long staple cotton are low and prices being paid in the open market for these qualities are much higher than those fixed by the Commission in October 1941. Sale of cotton to the Commission is entirely voluntary and open-market activity is still evident, particularly for grades and varieties now becoming scarce.

EGYPT: Sample spot price per pound of "medium" staple cotton at Alexandria, May 28, 1942, with comparisons

Variety and grade	Buying Commission's schedule <u>a/</u>	Open market prices May 28, 1942	
		Minimum	Maximum
	Cents	Cents	Cents
Malaki (Fully Good)	20.41	27.07	27.49
Sakha 4. do	17.49	21.87	22.28
Karnak do	17.49	21.66	22.07
Giza 7 do	14.45	19.58	19.99
Giza 7 (Good)	13.33	17.28	17.49
Giza 7 (Fully Good Fair) ...	12.71	-	15.83
Maarad (Good to Fully Good).	14.75	-	18.12

a/ Instituted January 31, 1941, and renewed in October. Add 1.67 cents for Egyptian Government schedule since October 1941.

PERU RESTRICTS COTTON ACREAGE FOR 1943 . . .

Legislation enacted in Peru on July 24, 1942, requires (with minor exceptions) a 30-percent reduction in 1943 from the 1942 cotton acreage, estimated unofficially at 365,000 acres. Penalty for noncompliance is set at 1,000 soles per hectare (\$62.26 per acre), presumably for excess acres planted. The 1942 acreage was slightly less than the 420,000 acres

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planted for the 1941 crop and the previous 5-year average of 428,000 acres. The United States-Peru cotton purchase agreement provides a basic price equivalent to 10.69 cents per pound for 1942 cotton purchased (not more than 200,000 bales). The price will be raised 1.5 percent for each 1-percent decrease in the 1943 acreage, or reduced by 1.5 percent for each 1-percent increase in acreage. (See Foreign Crops and Markets, July 13, 1942.)

Exports of cotton during the first 7 months of 1942 amounted to only about 71,000 bales (preliminary) compared with 225,000 for a similar period in 1941. The 1942 figure includes 21,000 bales exported to the United Kingdom, as compared with 11,000 in the same period of 1941; to Chile, 16,000 against 11,000; to the United States (partly for transshipment to Canada), 12,000 against 7,000; and to Colombia, 9,000 against 12,000. In 1941, Japan took 154,000 bales of the remainder.

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FLAX FIBER PRODUCTION REGULATED IN PERU . . .

As a result of recommendations made by a commission appointed to study the needs of the Peruvian flax industry, a decree, dated June 3, 1942, requires that planting of flax for fiber in the coastal valleys from Pativilca in the north to Ica in the south be done within the period May 15 to July 31 each year. Exports of fiber are prohibited unless properly classified, and imports of seed cannot be made by an individual or private concern. The Bureau of Agriculture and Livestock is authorized to extend the period of planting if it is deemed necessary. This year, planting has been extended to August 15.

Encouraged by the success of experimental plantings of flax in Peru, an effort was made to expand its cultivation, and in 3 years the experimental plot of about 100 acres has increased to more than 38,000 acres for the 1941-42 crop. Early this year it was planned to devote about one-tenth of the cotton area to the expansion of food crops and flax fiber. A crop of from 2,000 to 3,000 long tons (of 2,240 pounds) of flax fiber is expected from the present area. The entire crop has been sold for shipment to the United States.

Exports of flax fiber during the calendar year 1941 amounted to 315 tons, compared with 75 tons in 1940. Although 1941 exports, by country of destination, are not available, it may be noted that all of the exports for the previous year went to the United States. In the first 5 months of this year, 1,210 tons of fiber have been exported. Of this amount, 1,205 tons were exported to the United States, the balance going to Chile.

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F R U I T S, V E G E T A B L E S, A N D N U T S

SPANISH ALMOND AND FILBERT PRODUCTION
FORECAST LARGER THAN LAST YEAR . . .

Production of both almonds and filberts is expected to be larger in Spain this year than last, according to information available in the Office of Foreign Agricultural Relations. The almond crop is 14 percent larger, while that of filberts is 5 percent above 1941.

Almonds

The 1942 preliminary almond forecast is 27,500 short tons, shelled basis, as compared with 24,200 tons estimated for 1941 and 24,700 tons in 1940. The forecast is 20 percent larger than the recent 5-year average (1936-1940) of 22,800 tons and 14 percent larger than the 10-year average (1931-1940) of 24,100 tons.

SPAIN: Estimated production of shelled almonds, 1931-1942

Year	Production	Year	Production
	<u>Short tons</u>		<u>Short tons</u>
1931	26,600	1939	20,000
1932	20,600	1940	24,700
1933	24,600	1941	a/ 24,200
1934	29,600	1942	b/ 27,500
1935	26,200		
1936	25,100	Averages -	
1937	20,000	1936-1940	22,800
1938	24,000	1931-1940	24,100

Compiled from consular sources.

a/ Preliminary estimate. b/ Preliminary forecast.

The 1942 growing season to the middle of July has been reported as being generally satisfactory in most districts of Spain. The supply of labor has been sufficient, though the trees have not received the same care as before the civil war. There will also be ample labor available for harvesting, according to present indications.

The disposal of the 1941 crop has been rather slow, due partially to the prohibition on exportation and partially to the high prices asked by both growers and speculators. The estimate of stocks remaining on hand July 15, only 3 weeks before preparations for the new harvest

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commence, was 9,900 short tons shelled. This indicates that approximately 59 percent of the crop was disposed of and that the carry-over will be one of the largest in many years.

The marketing prospects for the 1942-43 season are rather dull, since the Spanish Government has shown no indication that the export restrictions may be lifted. The war has cut off most of Spain's former markets and, furthermore, transportation is scarce, even if the Government should permit some exports. Germany is reported obtaining sufficient almonds in Italy, with a few tons from Turkey.

Exporters are anxious to secure at least a partial lifting of the embargo on exports for the purpose of trading almonds for Argentine wheat, which is badly needed in Spain. Exporters a few months ago had suggested that they be permitted to export 5,500 tons of almonds to any market available, suggesting as one possible outlet the United Kingdom. The Spanish Government, however, failed to take any action because, it was reported, it thought almonds could be used as a substitute for other foods. The exportation of bitter almonds was not prohibited.

The market by mid-July had become rather inactive with prices showing a tendency to decline. The following prices were freely quoted during July in the Reus-Tarragona area.

<u>Unshelled</u>	<u>United States</u> <u>cents per pound a/</u>	<u>Shelled</u>	<u>United States</u> <u>cents per pound a/</u>
Unselected	9.55	Largueta	52.93
Esperanza	10.59	Marcona	53.96
Largueta	12.45	Esperanza	47.74
Marcona	11.62	Common	41.51
Inferior	7.89	Inferior	39.44
		Bitter	43.59

a/ Converted from pesetas at the rate of 10.95 per United States dollar.

Filberts

The 1942 preliminary forecast of filbert production is 21,800 short tons, unshelled basis, as compared with 20,900 tons in 1941 and 22,000 tons in 1940. The forecast, however, is 17 percent smaller than the 1936-1940 average of 26,400 tons and 18 percent smaller than the 1931-1940 average of 26,700 tons. The Spanish filbert crop during the past three seasons has been below average, due largely to damage suffered by the trees as a result of the civil war and because of adverse weather conditions.

The 1942 growing season has been generally satisfactory, according to reports received by the Office of Foreign Agricultural Relations,

although there has been some neglect in cultural practices. The supply of labor has been ample and is expected to be sufficient to handle the coming harvest in a satisfactory manner.

SPAIN: Estimated production of filberts, unshelled basis,
1931-1942

Year	Production	Year	Production
	Short tons		Short tons
1931	24,000	1939	24,200
1932	35,000	1940	22,000
1933	14,000	1941	a/ 20,900
1934	38,000	1942	b/ 21,800
1935	24,000		
1936	26,000	Averages -	
1937	32,000	1936-1940	26,400
1938	28,000	1931-1940	26,700

Compiled from consular sources.

a/ Revised. b/ Preliminary forecast.

The 1941-42 marketing season, while being somewhat better than that for almonds, was not over satisfactory. The exportation of filberts was prohibited as of June 1, 1941, leaving the domestic market as the only outlet. Sales were never overly active and, consequently, by mid-July it was estimated that about 3,000 short tons (unshelled basis) remained in the hands of growers and exporters. The filbert industry was a bit more fortunate than the almond because of the larger use of filberts for oil and flour, thus helping in the disposal of a larger volume of the crop.

The prospects for the 1942-43 marketing season are no brighter than those for the season now coming to a close and, in fact, may be even a little poorer. The forecast of 21,800 tons, plus a 3,000-ton carry-over, less domestic consumption before harvest, would indicate available supplies of about 24,000 tons. The disposal of 24,000 tons during peacetime would have been a relatively simple matter, but, since the export market is closed and the domestic market consumed only 17,000 tons of the 1941 crop, it becomes apparent that some 7,000 tons may be carried over into the 1943-44 season. This estimate is based on the assumption that the domestic market will not absorb more than it did in the 1941-42 season and that exports will not be permitted. Reports received by the Office of Foreign Agricultural Relations indicate that the Spanish Government is reluctant to change the law prohibiting exportation.

The trade has been trying to persuade the Government to lift its export ban to permit the disposal abroad of at least a part of the surplus.

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The market has had a tendency to become rather inactive, and on July 15 unshelled nuts were quoted at 19.7 United States cents per pound, shelled at 41.5 cents.

Sales of Almond and Filbert Oils Regulated

An Executive Order dated May 13, 1942, fixes the price rate of almond and filbert oils to the producer, prohibits the sale of these oils mixed with other edible oils, and "freezes" almond and filbert oil stocks. The preamble of the Order states that these oils were being sold at excessive prices due to the scarcity of normally consumed edible oils and fats, and that dangerous mixtures with other oils were being sold. The wording of the Order, in translation, is the following:

"1st. The price rate of filbert oil to the producer shall be 19.20 pesetas per kilogram. (About 79.7 United States cents per pound.)

"2d. The price rate of almond oil to the producer is fixed at 22.50 pesetas. (About 93.4 United States cents per pound.)

"3d. The sale of mixtures of almond and filbert oils with other edible oils is absolutely prohibited.

"4th. Almond and filbert oils, in conformity with the provisions of Circular No. 280 of February 16, 1942 (20), of the General Supplies and Transportation Commission, are frozen (intervenidos).

5th. Any provisions contrary to the spirit and letter of the present Order, which will become effective the day following its publication in the Boletin Oficial del Estado, are revoked."

On May 26, 1942, the General Supplies and Transportation Commission issued a Circular enlarging the above-quoted Order. The self-explanatory wording of the Circular, in translation, is the following:

"As a clarification of the contents of the Executive Order (Orden de la Presidencia del Gobierno) of May 13, last, by which the prices of almond and filbert oils are fixed, there exists the freezing (intervencion) and absolute prohibition on the sale to the public of said oils, they being acquirable only, on the conditions and prices of the cited Order, for industrial and pharmaceutical uses."

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L I V E S T O C K A N D A N I M A L P R O D U C T S

EUROPEAN CATTLE NUMBERS
CONTINUE TO DECLINE . . .

European cattle numbers have declined since 1939, but the reduction in cattle through 1941 has not been so great as in hogs and poultry. Cattle raisers, as a rule, have been allowed priority in the allocation of feedstuffs in most countries for the purpose of maintaining milk production at as high a level as possible.

Cattle numbers in Europe had reached a high level in the years 1938 and 1939. The total number in 1939 was estimated at 113 million head and exceeded the averages for the 5-year period, 1931-1935, by 5 percent. Europe, exclusive of the Soviet Union, supported 15 percent of the world total, estimated at 699 million head, for the 5-year period, 1931-1935. Information, gathered from as reliable sources as possible under war conditions, indicates that cattle numbers in 12 important countries of continental Europe ^{1/} in 1941 totaled 61,450,000 head, a reduction of approximately 7 percent as compared with 1939. The figures for these countries are not always for strictly comparable territory and, in some cases, the estimates are for a different time of year.

Supplies of winter feed were scarce in many countries the past winter, resulting in above-average slaughter of cattle. The proposed expansion of the acreage under potatoes and other feed crops in continental European countries indicates an effort to avoid a further substantial reduction in cattle and other livestock in the winter of 1942-43, which would be serious for Axis as well as for Axis-dominated countries.

Cattle numbers in the United Kingdom were about 1 percent larger in 1941 than in 1939, whereas the number in Ireland was 2 percent larger. In contrast to the situation on the Continent, numbers in the United Kingdom and Ireland have been maintained up to the present. There was small reduction in Ireland as of June 1, 1942, but numbers were still larger than in 1939. No estimate for 1942 is available for the United Kingdom but reports from a reliable source indicate that cattle numbers were well maintained, although reductions occurred in hogs and sheep.

The decline in cattle numbers in all Europe as a result of the war of 1914-1918 was around 30 percent, the larger percentage decreases within comparable territory being in Denmark, the Netherlands, Belgium, France, and Germany. ^{2/} Cattle numbers in 27 countries were estimated at 71,517,000 head prior to that war and at 50,584,000 in 1919.

^{1/} Denmark, Netherlands, Belgium, France, Spain, Italy, Switzerland, Germany, Austria, Rumanania, Estonia, and Finland.

^{2/} For details, see Foreign Crops and Markets, June 22, 1940.

CATTLE: Numbers in European countries, 1938-1942

Country	Date of estimate	1938	1939	1940 <u>a/</u>	1941 <u>a/</u>	1942 <u>a/</u>
		Thou- <u>sands</u>	Thou- <u>sands</u>	Thou- <u>sands</u>	Thou- <u>sands</u>	Thou- <u>sands</u>
United Kingdom	June	8,762	8,885	9,093	8,928	-
Ireland	June 1	4,056	4,057	4,023	4,150	4,092
Norway	June 20	1,399	1,455	-	-	-
Sweden	July 15	3,036	2,975	2,889	-	-
Denmark	Summer	3,186	3,271	3,226	3,004	<u>b/</u> 2,800
Netherlands	June	2,763	2,817	<u>c/</u> 2,650	<u>d/</u> 2,400	<u>d/</u> 2,400
Belgium	Jan.1 <u>e/</u>	1,710	1,690	1,600	<u>f/</u> 1,801	-
Luxemburg	Jan.1 <u>e/</u>	103	107	-	-	-
France	Jan.1 <u>e/</u>	15,805	15,622	14,698	14,574	-
Spain	Jan.1 <u>e/</u>	(4,000)	<u>d/</u> 3,739	3,234	<u>e/</u> 3,898	<u>e/</u> 3,900
Portugal	March	<u>h/</u> 905	(905)	832	826	-
Italy <u>i/</u>	April	7,667	7,879	7,790	7,600	-
Switzerland	April	1,701	1,711	1,694	1,584	1,492
Germany <u>j/</u>	Jan.1 <u>e/</u>	20,504	19,911	19,900	<u>g/</u> 19,500	-
Austria	June	(2,500)	<u>e/</u> 2,596	2,500	1,55	-
Czechoslovakia <u>i/</u> ..	Jan.1 <u>e/</u>	4,938	<u>h/</u> 3,407	-	-	-
Poland	June	10,554	(10,500)	-	-	-
Hungary <u>i/</u>	April	1,882	<u>l/</u> 2,380	<u>m/</u> 2,605	-	-
Yugoslavia <u>i/</u>	Jan.1 <u>e/</u>	4,206	4,306	4,263	-	-
Greece <u>i/</u>	Jan.1 <u>e/</u>	1,065	1,035	-	-	-
Albania		412	(405)	-	-	-
Bulgaria <u>i/</u>	Jan.1 <u>e/</u>	<u>h/</u> 1,873	(1,870)	-	-	-
Rumania <u>i/</u>	Jan.1 <u>e/</u>	4,369	4,336	-	(3,500)	<u>n/</u> 3,414
Lithuania	Jan.1 <u>e/</u>	1,172	1,193	1,144	-	-
Latvia	June	1,224	1,272	-	-	-
Estonia	June	661	646	-	444	-
Finland	Sept.	1,954	1,938	-	<u>o/</u> 1,590	<u>o/</u> 1,488
Soviet Union	July	63,200	-	-	-	-
Estimated total, excl. Soviet Union		112,600	112,700	-	-	-

Compiled from reliable reports received in the Office of Foreign Agricultural Relations. Figures in parantheses interpolated or carried forward. a/ Preliminary. b/ Reduction of 15 percent below 1939 figure. c/ Unofficial. d/ Spring. e/ Estimate for December of preceding year. f/ Estimates for 1939 and 1940 believed to be below actual figures and 1941 census more accurate than others. g/ Summer. h/ 1935. i/ Buffaloes included. j/ Includes Saar. k/ Bohemia-Moravia Protectorate and territory comprised within boundaries of Slovenia and Sub-Carpathian Russia prior to March 15, 1939. l/ Boundaries as of spring of 1939, exclusive of Sub-Carpathian Russia. m/ Sub-Carpathian Russia included. n/ Rumania Proper, Bessarabia, and Bukovina. o/ After territorial cessions.

SHORTAGE OF MILK IN CHILE . . .

Chile is suffering from a shortage of milk, and it is doubtful whether it has ever had a sufficient supply. Chileans are not "milk conscious" and do not think of milk as a necessity of life. According to the agricultural census of 1930, there were 730,530 cows in Chile, and the 1940 census places the figure at 704,475, of which about 350,000 can be milked daily. In that period (1930-1940) the human population increased by about a million persons. It is estimated that about 60 million gallons (516 million pounds) of milk are produced annually to fill a minimum need of 318 million gallons (2,735 million pounds). Average yearly production per cow is 233 gallons or 2,000 pounds.

The low prices received by milk producers give no incentive for larger herds and additional feeding. Most dairy cows are kept on pasture as much as possible, and little attention is given to supplementary feeding. Lack of transportation facilities causes many difficulties in arranging the delivery of milk to the centers of consumption. The willingness of the authorities to set a ceiling on milk prices, while at the same time pushing wages up and not properly curbing the price of forage, transportation, building materials, or equipment used in the dairy industry, has also contributed to discourage dairymen and in many cases to make dairying but a secondary activity on many farms. The difficulties placed in the path of the small farmer to obtain loans that will permit him to make the necessary improvements on his farm keep many operating under the most adverse conditions.

These factors caused many dairymen to turn their milk to the production of butter and cheese, which are easier to transport and for which they can obtain better prices. The authorities in the Province of Santiago, however, attempted to curb this tendency by a decree prohibiting, until August 31, 1942, the production of butter, cheese, and cream by dairymen, who should deliver their milk to the pasteurization plant of the Capital.

The only measures suggested by the Chileans that would offer a solution to the problems of the milk shortage are the importation of dried milk from Argentina free of duty and the organization of a goat-breeding association. An increase in the number of goats would provide a further source of cheap milk.

NEW ZEALAND EXPORTS OF
HIDES AND SKINS DECREASING . . .

Exports of hides and skins from New Zealand dropped during the first 3 months of 1942 to about 50 percent of those during the same

period in 1941. The greatest decrease was found in sheepskins, when January-March 1942 exports represented 48 percent of those in January-March 1941. While cattle-hide exports remained at about the same level, calfskin exports increased from 32,000 to 106,000 pieces.

The trend in recent years indicates a gradual decline in exports of cattle hides and calfskins. Exports of sheepskins with wool dropped considerably in 1941 to less than one-half of those in 1940. Sheepskins with wool are being slipped (wool removed from the pelt with line) to a greater extent in New Zealand, and as a result the exports of sheepskins without wool in 1941 showed an increase.

NEW ZEALAND: Exports of hides and skins, 1939-1941, and
January-March 1941-1942

Year	Cattle hides	Calfskins	Sheepskins with wool	Sheepskins without wool
	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>
1939	530	1,103	1,933	13,224
1940	520	1,032	1,799	11,340
1941	385	1,013	770	17,744
January-March				
1941	61	32	186	5,225
1942	54	106	139	2,461

Compiled from New Zealand Monthly Abstract of Statistics.

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STOCKS OF SHEEPSKINS
INCREASING IN PERU . . .

Stocks of sheepskins in Peru at the end of May 1942 reached nearly 2.5 million pieces as compared with 1.8 million pieces accumulated at the same time last year, according to information received in the Office of Foreign Agricultural Relations. This situation is attributed to the lack of available shipping in the Pacific.

There were no exports of sheepskins during the month of April, while exports in May dropped to 30 percent of those in March. An increased domestic demand for cattle hides is resulting in a diminution of stocks despite reduced exports. There were no stocks of goat- and kid-skins due to the disposal of the entire month's production and previous carry-over by exports, which amounted to 125,000 pieces.

* * * * *

August 17, 1942

Foreign Crops and Markets

GENERAL AND MISCELLANEOUS

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of specified currencies,
August 8, 1942, with comparisons a/

Country	Monetary unit	Year 1941	Month				Week ended		
			1940	1941	1942		1942		
			July	July	June	July	July 25	Aug. 1	Aug. 8
			Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina b/	Paper peso	29.77	29.77	29.77	29.77	29.77	29.77	29.77	29.77
Australia c/	Pound . . .	321.27	303.11	321.31	321.50	321.50	321.50	321.50	321.50
Brazil d/	Milreis . .	5.07	5.03	5.06	5.14	5.14	5.14	5.15	5.15
British India	Rupee . . .	30.14	30.15	30.13	30.12	30.12	30.12	30.12	30.12
Canada c/	Dollar . .	87.32	86.92	88.27	89.96	89.94	89.95	89.89	89.91
Mexico e/	Peso	20.54	19.91	20.54	20.57	20.57	20.57	20.57	20.57
New Zealand.	Pound . . .	322.54	304.32	322.57	322.78	322.78	322.78	322.78	322.78
South Africa . . .	Pound . . .	398.00	398.00	398.00	398.00	398.00	398.00	398.00	398.00
United Kingdom c/	Pound . . .	403.18	380.47	403.23	403.50	403.50	403.50	403.50	403.50

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free. Official rates: Australia 322.80 cents; Canada 90.91 cents; United Kingdom 403.50 cents. Most transactions between these countries and the United States must take place at the official buying and selling rates.

d/ Free. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.37 cents in 1941, 5.42 cents in July 1942, and 5.42 cents in the week ended August 8, 1942. Quotations nominal.

e/ Quotations nominal for 1940 and 1941.

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